

**TESTIMONY OF
ST. VINCENT'S MEDICAL CENTER
SUBMITTED TO THE
APPROPRIATIONS COMMITTEE
Thursday, February 16, 2017**

On behalf of our patients, our associates, medical staff and the patients and families we serve, St. Vincent's Medical Center appreciates the opportunity to submit testimony concerning **HB 7027, An Act Concerning The State Budget For The Biennium Ending June Thirtieth 2019, And Making Appropriations Therefor**, that:

- Authorizes cities and towns to subject real property owned by acute care and specialty hospitals to local property taxes. Based on estimates from 2015 and 2016 Grand Lists, OPM projects this tax to amount to be \$212.2 million statewide;
- Creates a new hospital supplemental pool in the amount of \$250 million to "address the potential loss;"
- Eliminates the small hospital pool; and
- Eliminates the separate line item for hospital supplemental payments.

As noted above, the Governor's budget office estimates the tax on hospital property will exceed \$200 million. This new tax is in addition to the \$556 million tax currently levied on hospitals. That's a tax burden of nearly 30 times the corporate tax rate. The existing tax has already resulted in the loss of more than 1400 Connecticut jobs, longer wait times, and less access to care for the people who need it most.

For more than 114 years, St. Vincent's has served the Greater Bridgeport community. Founded in 1903 by the Daughters of Charity, we treat everyone who comes through our doors, 24 hours a day, regardless of ability to pay. We are the largest employer in the City of Bridgeport with more than 3,100 associates, including our medical staff. In 2016, St. Vincent's total direct economic impact on our community was greater than \$900 million. We are a safety net hospital, and last year, delivered more than \$53 million in community benefit and charity care programs that directly serve the poor and vulnerable.

Connecticut's hospitals are under significant financial stress. And we continue to be challenged to achieve our mission under the continued cuts to hospitals every year. We've done extraordinary things to minimize the impact to patient care. Over the last two fiscal years, Connecticut hospitals, including ours, have eliminated more than 1,400 jobs, reduced staff salaries and benefits, reduced services, and postponed investments in technology and infrastructure.



The Governor's proposed budget contains a new tax on hospitals - an arrangement to allow municipalities to tax them. An additional burden of this real estate tax will further damage our ability to serve the most vulnerable and needy.

Connecticut, like the rest of the nation, enacted the property tax exemption for hospitals many years ago in recognition of the unique and critically important role hospitals play in their communities. We care for the sick and we also play a major and continually expanding role in improving community health. Working with our communities, we are identifying and addressing key health issues people are facing, so they can live healthier, better lives.

This new tax adds even more financial pressure at a time when we need relief. We know the state is facing a challenging budget, but we have already been cut and taxed so significantly that it is hurting patient care, access, jobs, and our economy. Hospitals can endure no more.

We understand that municipalities are also under financial strain. We live here too. And we pay taxes in the communities in which we live. And we oppose any proposal that would make not-for-profit Connecticut hospitals liable for the payment of property taxes. Connecticut hospitals simply cannot endure another tax while we continue to serve our mission to provide for the poor in our communities.

The staff and physicians of St. Vincent's Health Services are members of your communities. They work tirelessly to perform extraordinary acts every day- including serving patients with compassion, healing the sick, delivering babies, providing support for families in crisis, teaching future healthcare providers and the community at large – ensuring that every day, our mission to meet the needs of the sick, poor, homeless, handicapped and frail elderly in the greater Bridgeport area is fulfilled.

Right now, an ambulance is pulling up to our Emergency Department with a father of four in the middle of cardiac arrest. His loved ones expect the safest, highest quality and most compassionate care our physicians and caregivers can deliver- regardless of his insurance coverage, where he lives or whether he can “afford” to have a heart attack. They just want him to come back home to them.

Our promise is to do all we can to make that happen.

We need you to help us keep our promise. Vote “No” on HB 7027.

Thank you.